

GENERAL INFORMATION FOR FILING YOUR 2005 LOUISIANA NONRESIDENT AND PART-YEAR RESIDENT INDIVIDUAL INCOME TAX RETURN

Important: If provided, taxpayers should file the pre-printed tax form imprinted with their name(s) and address. Please print in black ink only.

WHO MUST FILE A RETURN (Form IT-540B)

- If you are a nonresident, or part-year resident, with income from Louisiana sources, who is required to file a federal individual income tax return, you must file a Louisiana return reporting income earned in 2005.
 - If provided, use the pre-addressed copy of the return, which is imprinted with the taxpayer's name(s) and address.
 - Write amounts only on those lines that are applicable.
 - Use only a pen with black ink.
 - Because this form is read by a machine, please print your numbers clearly inside the boxes like this:

0	1	2	3	4	5	6	7	8	9	X
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 - All numbers should be rounded to the nearest dollar.
 - Numbers should **NOT** be printed over the pre-printed zeros in the boxes on the far right, which are used to designate cents (.00).
 - To avoid any delay in processing, use this form for **2005** only.
 - If you are filing an amended return, mark an "X" in the "Amended Return" box.
- If you are a taxpayer who has overpaid your tax through withholding, declaration of estimated tax, or composite partnership filing payments made on your behalf, you must file a return to obtain a refund or credit.
- If you are military personnel, whose home of record is Louisiana and who meets the filing requirements of 1 or 2 above, you must file a return, regardless of where you were stationed. If you are single, you should file a **resident return (Form IT-540)**, and report all of your income to Louisiana. As military personnel whose domicile is not Louisiana, you must report any nonmilitary Louisiana sourced income on Form IT-540B.

If you are married, and both you and your spouse are residents of the State of Louisiana, you should file a resident return (Form IT-540), and report all of your income to Louisiana. If you are married and one of you is **NOT** a resident of Louisiana, you have the option of filing a resident (Form IT-540), or filing a nonresident (Form IT-540B) return. You may choose the option that is more beneficial to you and your spouse.

- Surviving Spouses, Executors, Administrators, or Legal Representatives: A final return for a decedent is required if **BOTH** of the following are true: (1) You are the surviving spouse, executor, administrator, or legal representative; and (2) the decedent met the filing requirements at the date of death. If both conditions are applicable, (A) Mark the decedent box on the face of the return **for the appropriate taxpayer**, (B) Attach a copy of the death certificate, and (C) Attach completed Form R-6642 (Statement of Claimant to Refund Due on Behalf of Deceased Taxpayer).
- Exception – NONRESIDENT Professional Athletes – If you are a professional athlete, who either plays for a professional sports franchise, or who is a member of a professional sports association or league, you must file Form **IT-540B-NRA**, instead of Form IT-540-B. For further information, visit the Department's website at www.revenue.louisiana.gov. You may obtain form IT-540B-NRA on this website.

NAME(S), ADDRESS(ES), AND SOCIAL SECURITY NUMBER(S)

Print your Social Security Number(s) in the space(s) provided. Using the pre-addressed return helps to identify your account, saves processing time, and speeds refunds. If you did not receive a booklet that was pre-addressed, print your name(s), address, and Social Security Number(s) on your return. **If there is a change in your name or address since last year's return (for example, new spouse), please mark the "Name Change" and/or "Address Change" box(es).** If married, please print Social Security Numbers for both you and your spouse. List these numbers in the same order as they were listed on your federal return.

FORMS

Forms and instructions may be obtained from any office of the Department of Revenue and on the Department's website at www.revenue.louisiana.gov. The locations are listed on the back cover of this booklet.

AMENDED RETURNS

If you file your income tax return, and then later become aware of any changes you must make to income, deductions, exemptions, or credits, you must file an amended Louisiana return. You should submit: (A) a corrected return, Form IT-540B, for the tax year that's being amended; (B) an explanation of the change(s); and (C) a copy of the federal amended return, Federal Form 1040X, if one was filed. The form should be marked clearly with an "X" in the "Amended Return" box. **Do not make any adjustments for refunds received, or for payments made with the original return. This information is already on file.**

FEDERAL TAX ADJUSTMENTS

Louisiana Revised Statute 47:103 (C) requires taxpayers, whose federal returns are adjusted, to furnish a statement which discloses the nature and amounts of such adjustments. This disclosure must be furnished within 60 days after the adjustments have been made and accepted.

WHEN TO FILE AND PAY TAX

- A calendar year return is due on or before May 15, 2006.
- Returns for fiscal years are due on or before the 15th day of the fifth month after the close of the taxable year.

WHERE TO FILE AND PAY TAX

For all returns: Print your Social Security Number(s) on any correspondence. Also, on a joint return, print the Social Security Numbers in the same order that you listed them on your federal return.

Returns reflecting a refund should be mailed to P.O. Box 3440, Baton Rouge, LA 70821-3440.

Returns for which a payment is due should be mailed along with your check or money order to P.O. Box 3550, Baton Rouge, LA 70821-3550. Please **do not send cash. Print your Social Security Number(s) on the check or money order.**

An electronic payment option is available on the Department's website at www.revenue.louisiana.gov.

EXTENSION OF TIME FOR FILING A RETURN

Louisiana recognizes the extension granted by the Internal Revenue Service. Attach a copy of Federal Form 4868 or a copy of your acknowledgement from the Internal Revenue Service which contains your confirmation number that your Federal extension has been approved. Use Form R-2868 for requesting an extension beyond the date required for filing your federal return. You must submit Form R-2868 by October 15, 2006, if you have an approved federal extension, or by May 15, 2006, if you have not filed a federal extension. The form is available on the Department's website. **An extension does not lengthen the time to pay any tax that may be due.**

INSTALLMENT REQUEST

An installment request, Form R-19026, is available on the Department's website. If you are unable to pay the balance in full by the due date, you must submit this request, along with a minimum payment of twenty percent (.20) of the total amount owed.

INTEREST AND PENALTIES

See Interest and Penalty Calculation Worksheets, page 14.

KEEP YOUR RECORDS

Taxpayers should keep copies of federal and state returns and W-2 statements for four (4) years. In most cases, you should not submit a copy of your federal return. If you have completed all or part of Schedule H due to a federal casualty loss deduction or claiming federal disaster relief credits, submit the specified forms as indicated in the instructions for the Federal Income Tax Deduction Computation Worksheet.

2005 NONRESIDENT FEDERAL INCOME TAX DEDUCTION COMPUTATION WORKSHEET

The federal line numbers on this schedule refer only to Federal Form 1040.

1A & 1B	Enter the amount of your federal adjusted gross income from Line 38 of your Federal Form 1040 on Lines 1A and 1B.	1A	_____	1B	_____
2A	Enter the amount of your itemized deductions from Line 40 of your Federal Form 1040 on Line 2A. <i>Enter this amount on Schedule H-NR, Line 1.</i>	2A	_____		
2B	<p>From your total itemized deductions (Line 2A above) remove the amount of your casualty loss associated with Hurricanes Katrina or Rita.</p> <p>1. Total Itemized Deductions from Line 2A above: _____</p> <p>2. Total casualty loss from Line 19 and/or Line 27 of your 2005 Schedule A (Form 1040): _____</p> <p>3. Subtract Line 2 above from Line 1 above: _____</p> <p>Line 3 is your Adjusted Itemized Deductions.</p> <p>Enter on Line 2B the GREATER of your Adjusted Itemized Deductions or the federal standard deduction available for your filing status. <i>Enter this amount on Schedule H-NR, Line 2.</i></p>			2B	_____
3A	Enter the amount from Line 41 of your Federal Form 1040 on Line 3A.	3A	_____		
3B	Subtract Line 2B from Line 1B and enter on Line 3B.			3B	_____
4A & 4B	Enter the amount from Line 42 of your Federal Form 1040 on Lines 4A & 4B.	4A	_____	4B	_____
5A	Enter the amount from Line 43 of your Federal Form 1040 on Line 5A. <i>Enter this amount on Schedule H-NR, Line 3.</i>	5A	_____		
5B	Subtract Line 4B from 3B and enter on Line 5B.			5B	_____
6A	Enter the amount from Line 44 of your Federal Form 1040 on Line 6A.	6A	_____		
6B	Using the federal income tax tables or Federal Tax Computation Worksheet, compute the amount of federal income tax associated with your income on 5B and enter on Line 6B.			6B	_____
7A & 7B	Enter the amount from Line 45 of your Federal Form 1040 on Lines 7A and 7B. <i>Enter the amount from Line 7A on Schedule H-NR, Line 4.</i>	7A	_____	7B	_____
8A	Enter the amount from Line 46 of your Federal Form 1040 on Line 8A. <i>Enter the amount from Line 8A on Schedule H-NR, Line 5.</i>	8A	_____		
8B	Add Lines 6B and 7B and enter on Line 8B.			8B	_____
9A & 9B	Enter the amount from Line 56 of your Federal Form 1040 on Lines 9A and 9B. <i>Enter the amount from Line 9A on Schedule H-NR, Line 6.</i>	9A	_____	9B	_____
10A	Enter the amount from Line 57 of your Federal Form 1040 on Line 10A.	10A	_____		
10B	Subtract Line 9B from 8B and enter on Line 10B. Note: If no casualty loss is claimed, enter the amount from Line 57 of Federal Form 1040; if only adjusting for federal disaster relief credits.			10B	_____
11	Enter the amount of your Federal disaster relief credits. See instructions. <i>Enter this amount on Schedule H-NR, Line 7.</i>			11	_____
12	Add Lines 10B and 11 and enter the amount on Line 10A of Form IT-540B. Important! See optional deduction information contained in Line 8 instructions on page 9. Please mark box on Line 10A of Form IT-540B indicating federal income tax has been adjusted.			12	_____

INSTRUCTIONS FOR FEDERAL INCOME TAX DEDUCTION COMPUTATION WORKSHEET

Federal disaster relief credits

Louisiana provides a deduction (from Louisiana income) for federal income taxes paid on Louisiana income. Generally, when the federal income tax liability is decreased by federal credits, the amount of Louisiana income tax liability increases. To prevent Louisiana taxpayers from paying additional state income tax because they received federal disaster relief credits, you may increase the amount of your Louisiana federal income tax deduction by the amount of certain federal disaster relief tax credits claimed on your 2005 federal income tax form. The modification to the Louisiana federal income tax deduction **can only be for federal disaster relief credits claimed in either the Hurricane Katrina or Hurricane Rita Disaster Areas**. At press time for this form, The Louisiana Secretary of Revenue has, through LAC 61:I.601, determined which federal credits are disaster relief credits. Below are the federal credits that have been established to be federal disaster relief credits:

1. Employee Retention Credit – Provides a credit of 40 % of the qualified wages paid by an eligible employer to an eligible employee in the Gulf Opportunity Zone (GO Zone) area or the Rita GO Zone area.
2. Work Opportunity Credit – Provides a credit to an employer who employs individuals from certain targeted groups. The Katrina Emergency Tax Relief Act designates Hurricane Katrina Employees as members of a targeted group. The credit can be up to 40 % of qualified first year wages, which are capped at \$6,000. For purposes of modifying the Louisiana federal income tax deduction, only the amount with respect to wages paid to Hurricane Katrina employees is the allowed credit
3. Rehabilitation Tax Credit – Provides an increase in the credit for Certified Historic Structures and Qualified Rehabilitated Buildings located in the GO Zone. The credit is increased from 20 % to 26 % for Certified Historic Structures and increased from 10 % to 13 % for Qualified Rehabilitated Buildings. The **INCREASE ONLY** in the Rehabilitation Tax Credit, with respect to the rehabilitation of buildings is the allowed credit for purposes of modifying the Louisiana federal income tax deduction.

Note: The Employee Retention Credit, the Katrina disaster relief portion of the Work Opportunity Credit and the **INCREASE ONLY** in the Rehabilitation Tax Credit are part of the general business credit under IRC §38. If the general business credit is limited, the lesser of the amount equal to total disaster relief credits that are components of the general business credit or the general business credit will be allowed as disaster relief credits granted for the Hurricane Katrina presidential disaster areas or Hurricane Rita Disaster presidential disaster areas.

4. Hope Scholarship and Lifetime Learning Credits – Both of these credits are available for “qualified tuition and related expenses” as defined by federal law. The Hope Scholarship and Lifetime Learning credits for students attending an eligible education institution located in the Gulf Opportunity Zone have been temporarily expanded. Originally, the Hope Scholarship Credit provided a nonrefundable credit of up to \$1,500 per student per year for qualified tuition and related expenses paid for the first two years of the student’s post-secondary education in a degree or certificate program. The Hope Scholarship Credit is increased to 100 % of the first \$2,000 in qualified tuition and related expenses and 50 % of the next \$2,000 of qualified tuition and related expenses for a maximum credit of \$3,000 per student. Originally, The Lifetime Learning Credit provided a credit equal to 20 % of qualified tuition and related expenses incurred during the taxable year on behalf of the taxpayer, the taxpayer’s spouse, or any dependents. Up to \$10,000 of qualified tuition and related expenses per taxpayer return are eligible for the Lifetime Learning Credit. The Lifetime Learning credit rate is increased from 20 % to 40 %. Thus, the maximum amount of the credit is \$4,000 or 40 % of \$10,000. The **INCREASE ONLY** in either the Hope Scholarship Credit or the Lifetime Learning Credit, is the allowed credit for purposes of modifying the Louisiana federal income tax deduction.
5. Employer-Provided Housing Credit – Provides for a temporary credit to a qualified employer of 30 % of the value of the lodging excluded from the income of a qualified employee. For purposes of modifying the Louisiana federal income tax deduction, only the amount with respect to the 30 % of the value of the lodging excluded from the income of a qualified Hurricane Katrina employee(s) is the allowed credit.

The above is only a brief summary of the federal credits. Consult your tax advisor or contact the IRS for complete information concerning the federal credits. You must attach a copy of the appropriate federal form(s)

to your return in order for your modified Louisiana federal income tax deduction to be allowed.

If you have claimed only federal disaster relief credits and not taken a casualty loss, do the following: (A) Enter the amount of your federal income tax from Line 57 from Federal Form 1040 on Line 10B, (B) Enter the amount of federal disaster relief credits on Line 11, (C) Add Lines 10B and 11 of the Federal Income Tax Deduction Computation Worksheet and print the result on Line 12, (D) Enter the amount from Line 12 on Line 10A of Form IT-540B, and (E) enter the amount from Line 11 on Line 7 of the Louisiana Schedule H-NR.

If you are claiming disaster relief credits along with a casualty loss, complete the entire Federal Income Tax Deduction Computation Worksheet.

Casualty loss

Act 25 of the First Extraordinary Louisiana Legislative Session of 2006 expanded the casualty loss relief to include all incurred federal casualty losses. If you have claimed a casualty loss on your 2005 Federal Form 1040, you may increase the amount of your federal income tax deduction by the amount that your federal income tax decreased as a result of claiming your casualty loss. To compute your modified Louisiana federal income tax deduction, you will need to complete the Federal Income Tax Deduction Computation Worksheet on page 7 and have the following items: A copy of your Federal Form 1040 (pages 1 & 2), Schedule A (Federal Form 1040), and Federal Form 4684. You must attach these federal forms to your return. You will also need your Federal 1040 instruction booklet and accompanying federal tax tables or computation worksheet. Please see Revenue Information Bulletin 06-018,

Note: You may amend your 2005 return to account for all casualty losses if your original filing excluded other casualty losses.

The information for Lines 1A through 10A of the Federal Income Tax Deduction Computation Worksheet come from the specified line items of Federal Form 1040. For Lines 1B through 10B follow the computation instructions for each line item. Several line items of the Federal Income Tax Deduction Computation Worksheet require you to enter that line item amount on Louisiana Schedule HNR. These line items are denoted in orange on the Federal Income Tax Deduction Computation Worksheet. Failure to complete Louisiana Schedule HNR will significantly delay the processing of your return.

Important: In order to compute Line 2B, your Adjusted Itemized Deductions, subtract the amount of your total casualty loss [Line 19 and/or Line 27 of your 2005 Schedule A (Form 1040)] from total itemized deductions [Line 28 of your 2005 Schedule A (Form 1040)] as indicated on the 2005 tax year Federal Income Tax Computation Worksheet.

If the amount of your Adjusted Itemized Deductions is **LESS THAN** your federal standard deduction, enter your federal standard deduction on Line 2B of the Federal Income Tax Deduction Computation Worksheet. Information on how to compute your federal standard deduction can be found on Page 2 of Federal Form 1040 in the left margin.

If the amount of your Adjusted Itemized Deductions is **GREATER THAN** your federal standard deduction, enter the amount of your Adjusted Itemized Deductions on Line 2B.

For Lines 3B through 5B either enter the requested amounts from Federal Form 1040 or perform the appropriate calculations.

To recompute your federal income tax for Line 6B, use the amount from Line 5B and refer to the instructions on Line 44 of the Federal Form 1040. Enter the recomputed amount on Line 6B.

For Lines 7B through 10B and Line 11, either enter the requested amounts from Federal Form 1040 or perform the appropriate calculations.

For Line 11, if you have federal disaster relief credits in addition to claiming casualty losses, see the information concerning disaster relief credits and enter the amount of federal disaster relief credits on Line 11 of the Federal Income Tax Deduction Computation Worksheet. If you do not have any disaster relief credits, enter zero (0) on Line 11.

For Line 12, add Lines 10B and 11 and enter the amount on Line 10A of Form IT-540B. The amount on Line 12 may be increased by the amount of foreign tax credit claimed on Federal Form 1040, Line 47. If this additional deduction is claimed, no special allowable credit may be claimed on Louisiana Nonrefundable Tax Credits, Schedule GNR, Line 3.

INSTRUCTIONS FOR PREPARING YOUR 2005 Nonresident and Part-year Resident Individual Income Tax Return, Form IT-540B

Lines 1-5 – Filing status – You must use the same filing status on your Louisiana return as you did on your federal return. In the box on the left, print the number corresponding to your filing status: “1” for Single; “2” for Married Filing Jointly; “3” for Married Filing Separately; “4” for Head of Household, and “5” for Qualifying Widow(er). If your filing status is Head of Household, you must show the name(s) of the qualifying person(s) in the space provided, if that person is not a dependent. Head of Household status is for unmarried people who paid over half the cost of keeping up a home for a qualifying person.

Line 6 – Exemptions – Mark an “X” in the appropriate boxes. You must use the same number of exemptions on your Louisiana return as you did on your federal return unless: (A) you are listed as a dependent on someone else’s return, (B) you are age 65 or over, or you are blind. You must claim an exemption for yourself on Line 6A, even if someone else claimed you on his or her federal tax return. This box has been marked with an “X” for you. In the box on Line 6D, print the total number of exemptions claimed. The names of all dependents must be shown in the space provided.

Line 7 – Print the amount of your federal adjusted gross income. This amount is taken (A) from Federal Form 1040EZ, Line 4, **OR** (B) from Federal Form 1040A, Line 21, **OR** (C) from Federal Form 1040, Line 37. If your federal adjusted gross income is less than zero, print “0.”

Line 8 – Print the total income taxable to Louisiana. On a separate sheet of paper, prepare a schedule that lists the items of income taxable to Louisiana. Please include on the schedule: (A) your name, (B) your Social Security Number, (C) your spouse’s name and Social Security Number, if applicable, along with (D) an explanation of taxable Louisiana income. Nonresidents must report all income from Louisiana sources. If you were a resident of Louisiana for only part of the year, you still must report your Louisiana income from all sources for the period during which you were a resident. You must report all income from Louisiana sources for the period in which you were a nonresident. If you are a part-year resident taxpayer and over 65 years of age, who received retirement or annuity income, you may be able to exclude up to \$6,000 of this income from Louisiana income tax. This income, which is taxable to Louisiana is reported either on Federal Form 1040A, Lines 11b and 12b, **OR** on Federal Form 1040, Lines 15b and 16b. If, during the taxable years 2002 through 2004, you and your spouse filed a joint return exempting retirement income and both were over sixty-five years of age and only one had retirement income, you may be able to file an amended return exempting additional retirement income. Please see Revenue Information Bulletin (RIB) 05-015 at www.revenue.louisiana.gov for additional information. Also, if you have permanent disability, up to \$6,000 of your disability

income may be excluded for part-year residents. Please contact the Department for further information. If you have any “Adjustments to Income” on your federal tax return that apply to Louisiana income, that amount should be shown on the schedule. **Gambling losses are not an adjustment to income.**

If Line 8 is less than zero, print “0.”

Line 9 – Divide Line 8 by Line 7. Carry out two decimal places in the percentage; for example, 48.32 percent. **DO NOT ROUND UP.** The percentage cannot exceed 100 percent. When federal adjusted gross income is less than Louisiana income, the ratio shall be one hundred percent. (R.S. 47:293(7))

Line 10A – If you **HAVE** claimed **federal disaster relief credits** and/or taken a **casualty loss deduction** on your 2005 Federal Form 1040 as a result of Hurricanes Katrina or Rita, please see the Federal Income Tax Deduction Computation Worksheet and the instructions on pages 7 and 8.

If you **HAVE NOT** claimed **federal disaster relief credits** and/or taken a **casualty loss deduction** as a result of Hurricanes Katrina or Rita, print your federal income tax liability on Line 10A. This amount is taken from your federal return. Listed below are the federal returns and line numbers that indicate your federal income tax liability.

- Federal Form **1040EZ** filers: This amount is taken from Line 10.
- Federal Form **1040A** filers: This amount is taken from Line 36.
- Federal Form **1040** filers: This amount is taken from Line 57, less the amount from Form 4972 included on Line 44.

Optional deduction – The federal tax deduction above may be increased by the amount of foreign tax credit claimed on Federal Form 1040, Line 47. If this additional deduction is claimed, no special allowable credit may be claimed on Nonrefundable Tax Credit, Schedule G-NR, Line 3.

Line 10B – Multiply Line 10A by the ratio on Line 9, and enter the result. This is the amount of federal income tax deduction applicable to your Louisiana income.

Line 11 – Subtract Line 10B from Line 8 and enter the result. If less than zero, print “0.”

LINE 12 – Calculate your Louisiana tax by using the Tax Computation Worksheet.
DO NOT USE RESIDENT TAX TABLES. USE WORKSHEET BELOW.

TAX COMPUTATION WORKSHEET (Keep this worksheet for your records.)				
A Taxable Income: Print the amount from Line 11 of Form IT-540B.	A		00	
B First Bracket: If Line A is greater than \$12,500 (\$25,000 if filing status is 2 or 5), print \$12,500 (\$25,000 if filing status is 2 or 5). If Line A is less than \$12,500 (\$25,000 if filing status is 2 or 5), enter amount from Line A.	B		00	
C 1. Combined Personal Exemption – Standard Deduction: If your filing status is 2, 4, or 5, print \$9,000; if 1 or 3, enter \$4,500.	C1		00	
2. Credit for Dependents: Print \$1,000 for taxpayers and/or spouses who are 65 or over, or blind, and for each dependent claimed on Line 6C of Form IT-540B.	C2		00	
3. Total: Add Lines C1 and C2, and enter the result here.	C3		00	
D Ratio: Enter the ratio from Form IT-540B, Line 9.	D		%	
E Allowable Deduction: Multiply Line C3 by the ratio on Line D, and enter the result here.	E		00	TAX
F Taxable First Bracket: Subtract Line E from Line B. Multiply balance by 2% (.02) and enter the result in the TAX column.	F		00	2% Rate
G Second Bracket: Subtract Line B from Line A; and, if the balance is greater than zero, enter the balance or \$12,500 (\$25,000 if filing status is 2 or 5), whichever is less. Note: Reduce this amount by the amount that Line E exceeds Line B. Multiply balance by 4% (.04), and enter the result in the TAX column.	G		00	4% Rate
H Third Bracket: Subtract \$25,000 (\$50,000 if filing status is 2 or 5) from Line A, and enter the balance. If less than zero, enter “0.” Multiply the balance by 6% (.06), and enter the result in the TAX column.	H		00	6% Rate
I Total Tax: Add the amounts in the TAX column on Lines F, G, and H. Print here and on Line 12 of Form IT-540B.	I		00	

Line 13 – Federal Child Care Credit – If you are eligible for the Louisiana Child Care Credit, you must enter your Federal Child Care Credit on this line. To determine if you can take the Louisiana Child Care Credit, see the Louisiana Child Care Credit Worksheet on page 15. You **must** enter an amount here if you can take either a Refundable or Nonrefundable Louisiana Child Care Credit. The Federal Child Care Credit is taken from your Federal Form 1040A, Line 29, or Federal Form 1040, Line 48. **The credit may be taken only for child care expenses incurred in Louisiana during the time you were a Louisiana resident.**

Line 13A – Enter the amount of the total Other Nonrefundable Credits. This amount is from Nonrefundable Tax Credits, Schedule G-NR, Line 10 of the Louisiana Form IT-540B.

Line 13B – Enter the amount of your Nonrefundable Louisiana Child Care Credit carried forward from previous years. **To determine the Carry Forward Amount, refer to the Louisiana Child Care Credit Worksheet on page 15.**

Line 13C – Enter the amount of your 2005 Louisiana Nonrefundable Child Care Credit. This amount is determined from the Louisiana Child Care Credit Worksheet on page 15. Your Federal AGI must be greater than \$25,000 to claim this credit.

Line 13D – Add Lines 13A, 13B, and 13C and enter the result.

Line 14A – Subtract Line 13D from Line 12, and enter the result. If you are not required to file a federal return, or if the amount is less than zero, enter “0.” Please refer to the IRS requirements for filing to determine if you must file a federal return.

Line 14B – During 2005, if you purchased goods for use in Louisiana from out-of-state and were not properly charged Louisiana state sales tax, you are required to file and pay the tax directly to the Louisiana Department of Revenue. This can include purchases through catalogs, television or internet, from another state, or from outside the U.S. See the Consumer Use Tax Worksheet on page 13.

Line 14C – Add Lines 14A and 14B and enter the result.

Line 15A – Enter the amount of your 2005 Louisiana Refundable Child Care Credit. This amount is from Line 4 of the Louisiana Child Care Credit Worksheet on page 15. Your Federal AGI must be equal to or less than \$25,000 to claim this credit.

Line 15B – Enter the amount of the total Other Refundable Credits. This amount is from Refundable Tax Credits Schedule F-NR, Line 8 of the Louisiana Form IT-540B.

Line 15C – Enter the amount of Louisiana income tax withheld in 2005. A copy of the withholding tax Form(s) W-2 must be attached to your return for credit to be allowed.

Line 15D – Enter the amount of any credit carried forward from 2004. This amount is from **Line 20 of your 2004** Louisiana Form IT-540B.

Line 15E – Enter the amount of any payment made on your behalf by a composite Partnership filing. Enter the name of the partnership on the line below. If more than one partnership made a payment on your behalf, attach a schedule [with your name(s) and Social Security Number(s)] listing each partnership and payment made.

Line 15F – Enter the total amount of estimated payments you made for the 2005 tax year.

Line 15G – Enter the amount of any payment made with an extension request for the 2005 taxable year, if one was filed.

Line 15H – Add Lines 15A through 15G and enter the result.

Line 16 – If Line 15 H is equal to Line 14C, enter zero “0” on Lines 16 and 20 and go to Line 21. If Line 15H is greater than Line 14C, subtract Line 14C from Line 15H and enter the result. If Line 15H is less than 14C, enter zero, “0” on Line 16 and skip Lines 17A through 19.

Line 17A – You may donate all or part of your overpayment (Line 16) to The Military Family Assistance Fund. This fund provides assistance to family members of activated Louisiana military personnel.

Line 17B – Enter the amount of Line 16 you wish to donate to the organizations listed on Schedule D-NR. The amount printed on Line 17B must equal the amount on Schedule D-NR, Line 6.

Line 17C – Enter the amount of Line 16 you wish to contribute to the START Savings Program. **IMPORTANT:** If filing a joint return, you or your spouse must be a registered account owner in the START Savings Program, in order to contribute all or part of your overpayment. If you are not an account holder and wish to enroll in this program, you may contact the Louisiana Office of Student Financial Assistance at 1-800-259-5626, or through their website at www.startsaving.la.gov. All contributions made by means of your overpayment will be equally distributed among the account holder’s beneficiaries.

Line 17D – Enter the amount of Line 16 minus the amounts from Lines 17A through 17C, which you want credited to your 2006 tax.

Line 18 – Subtotal - Add Lines 17A through 17D.

Line 19 – Enter the amount of Line 16 minus the amount from Line 18, which you want refunded to you.

Line 20 – If Line 15H is greater than or equal to Line 14C, enter zero "0." If Line 14C is greater than Line 15H, then subtract Line 15H from Line 14C and enter the result.

Line 21 – You may make an additional donation or a donation over-and-above your tax payment to The Military Family Assistance Fund.

Line 22 – Interest is charged on all tax amounts that are not paid on time. Enter the amount from Line 5 of the Interest Calculation Worksheet. The worksheet is on page 14 of this booklet.

Line 23 – If you fail to file your tax return by the due date - **on or before May 15, 2006 for calendar year filers**, you will be charged Delinquent Filing Penalty. Print the amount from Line 7 on the Delinquent Filing Penalty Calculation Worksheet. The worksheet is on page 14 of this booklet.

Line 24 – If you fail to pay any tax owed by the due date - **on or before May 15, 2006 for calendar year filers**, you may be charged a Delinquent Payment Penalty. Print the amount from Line 7 of the Delinquent Payment Penalty Calculation Worksheet on Page 14.

Line 25 – If you have a tax deficiency that is greater than \$1,000 (\$2,000 if married filing jointly), you may be charged an underpayment penalty. Enter the amount from Line 19 of the 2005 Form R- 210NR and attach this form to your return. If you are a farmer and your income derived from farming is at least 66.67% of your gross income from all sources, the provisions of R.S.47:117 provide that declarations of estimated tax are considered to be paid in full if the payment is filed on or before January 15 of the succeeding taxable year.

Line 26 – Balance due Louisiana – Add Lines 20 through 25 and enter the result. Make your check or money order payable to the Louisiana Department of Revenue. **DO NOT SEND CASH.** Write your Social Security Number(s) on your check or money order, and attach it to your return. **A direct debit option is available on the Department’s website at www.revenue.louisiana.gov.**

Filing – YOU MUST SIGN AND DATE YOUR RETURN. If married filing jointly, **both spouses must sign.** In the appropriate space, please indicate a daytime phone number. If you filed for an extension, please mark the extension box, and place a copy of the extension as the first page of the return. If your return was prepared by a paid preparer, she/he must also sign in the appropriate space, and enter his or her identification number. **SUBMIT ONLY THIS ORIGINAL RETURN (DO NOT SUBMIT A PHOTOCOPY OF THE RETURN).**

GENERAL INFORMATION FOR CREDITS

If a schedule is required in the instructions below, you must attach a separate schedule for each credit you claim. The schedule should (A) identify the credit clearly, (B) include your name(s), and (C) include your Social Security Number(s). For complete information regarding the credits, refer to the publication "Credits, Exemptions, Exclusions, and Deductions for Individual and Corporation Income Tax, Corporation Franchise Tax, and Inheritance and Gift Tax." This publication may be obtained via the Department's website at www.revenue.louisiana.gov.

INSTRUCTIONS FOR REFUNDABLE TAX CREDITS, SCHEDULE F-NR

Line 1 – A refundable credit is allowed against income tax for 100 percent of the ad valorem taxes paid to political subdivisions in Louisiana, on inventory held by manufacturers, distributors, and retailers (R.S. 47:6006). Both a copy of the inventory tax assessment, and a copy of the cancelled check in payment of the tax, must be attached to the return.

Line 2—A refundable credit is allowed against income tax for 100 percent of the ad valorem taxes paid to political subdivisions in Louisiana, on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. Both a copy of the tax assessment, and a copy of the cancelled check in payment of the tax, must be attached to the return(R.S.47:6006).

Line 3 – A refundable credit is allowed against income tax for 100 percent of the ad valorem taxes paid on vessels in Outer Continental Shelf Lands Act Waters (R.S. 47:6006.1). The following must be attached to the return: (A) A copy of the inventory tax assessment, (B) a copy of the cancelled check in payment of the tax, along with (C) a completed Form LAT 11 from the Louisiana Tax Commission.

Line 4 – A refundable credit is allowed (Acts 485 of the 2005 Regular Legislative Session) against income tax for investing in certain state-certified musical recording productions and infrastructure. The Department of Economic Development certifies the credit and a copy of the certification must be attached to the return.

Line 5 – A refundable credit is allowed against income tax for up to 40 percent (.40) of the ad valorem taxes paid to Louisiana political subdivisions by a telephone company, with respect to that company's public service properties located in Louisiana (R.S. 47:6014). The credit may be passed to individuals through certain legal entities. See Revenue Information Bulletin 01-004, on the Department's website. A schedule must be attached stating what entity(ies) paid the tax and obtained the credit on the individual's behalf.

Line 6 – A refundable credit is allowed against income tax, for purchases by a taxpayer of specialty apparel items, from a Private Sector Prison Industry Enhancement (PIE) contractor (R.S. 47:6018). Please contact the Department for further information concerning this credit.

Line 7 – A refundable credit (R.S. 51:1801) is allowed against income tax for investing in certain economically depressed areas of the state. The Department of Economic Development certifies the credit and a copy of the certification must be attached to the return.

Line 8 – Reserved for future credits.

Line 9– Add Lines 1 through 8. Enter the result here and on Line 15B of Form IT-540B.

INSTRUCTIONS FOR NONREFUNDABLE TAX CREDITS, SCHEDULE G-NR

Line 1 – CREDIT FOR CERTAIN DISABILITIES – (R.S. 47:297[A]) If you are a taxpayer, spouse, or dependent of a person who is deaf, has lost the use of a limb, is mentally incapacitated, or is blind, you can earn a credit of \$100 against the tax. **Only one credit is allowed per person.** The disability must exist at the end of the taxable year, or if death occurred during the taxable year, at the date of death. If you are claiming this credit for the first time, **a physician's statement is required certifying the disability.** If this statement is not submitted with the return, it will be requested later. For purposes of this credit.

- **DEAF** is defined as one who cannot understand speech through auditory means alone (even with the use of amplified sound) and must either use visual means or rely on other means of communication.
- **LOSS OF LIMB** is defined as one who has lost one or both hands at or above the wrist or one or both feet at or above the ankle. This credit also applies if use of the limb or limbs has been permanently lost.
- **MENTALLY INCAPACITATED** is defined as one who is incapable of caring for himself or performing routine daily health requirements due to his mental condition.
- **BLIND** is defined as one who is totally blind or whose central field of acuity does not exceed 20/200 in the better eye with correcting lenses or whose visual acuity is limited to a field no greater than 20 degrees.

The name(s) of the qualifying dependent(s) must be printed on Line 1C. Print on Line 1D the total number of qualifying individuals. Multiply Line 1D by \$100 and print the result on Line 1E.

Line 2 – CREDIT FOR CONTRIBUTIONS TO EDUCATIONAL INSTITUTIONS – (R.S. 47:37) Taxpayers who donated computer equipment to educational institutions, are allowed a credit of forty percent (.40) of the value of the property donated from your Louisiana income tax. The recipient must certify the donation or contribution of property by using the Certificate of Donation, Form R-3400. This form is available on the Department's website at www.revenue.louisiana.gov. The completed certification form must be attached to the individual income tax return. On Line 2A, enter the value of the property donated to an educational institution in Louisiana. Multiply the amount on Line 2A by forty percent (.40), and enter the result on Line 2B. Round off this number to the nearest dollar.

Line 3 – CREDIT FOR CERTAIN FEDERAL CREDITS – (R.S. 47:297[B]) Taxpayers are allowed a credit of ten percent (.10) of the credits taken on Lines 47 and 49 on Federal Form 1040, plus ten percent (.10) of any investment tax credit or jobs credit computed on Federal Form 3800. If Federal Form 1040A is used, the allowed credit is ten percent (.10) of the credit on Line 30 of the federal return. If the credit was not used on the federal return because of the alternative minimum tax, you must reduce this amount by the portion of the credit that was not used. Print the total federal credit on Line 3A. Multiply Line 3A by ten percent (.10), and enter the result, or \$25, whichever is less, on Line 3B.

Additional nonrefundable credits Lines 4 through 9

Below, is a list of additional nonrefundable credits available for the taxable year ended December 31, 2005. Please print the credit description, identifying code, and the dollar amount claimed, in the appropriate spaces on Lines 5 through 10. **Please Note:** The Motion Picture Investment Credit is pre-printed on Line 4.

Example:

Credit Description	Code	Amount of Credit Claimed
Vehicle Alternative Fuel	2 0 6	5 0 0 . 00

Line 10—Total Nonrefundable Credits – Add Lines 1E, 2B, 3B, and 4 through 9. Print the result here and enter this amount on Line 13A of Form IT-540B.

Code	Code
<p>100 Credit Description: Premium Tax – R.S. 47:227 provides for a credit against Louisiana income tax, for premium taxes paid during the preceding twelve months by an insurance company authorized to do business in Louisiana. The credit may be passed to individuals through certain legal entities (e.g. through a partnership). A schedule must be attached stating what entity(ies) paid the premium tax, and generated the credit on behalf of the individual.</p>	<p>Legislative Session allows an amended return to be filed if this credit was not originally claimed. The amended return must be filed by December 31, 2008. Please contact the Department for information on qualifying for this credit.</p>
<p>105 Credit Description: Commercial Fishing – R.S. 47:297(C) provides for a credit for the amount of gasoline and special fuels taxes paid for operating or propelling any commercial fishing boat. Attach a schedule listing all invoices and taxes paid.</p>	<p>155 Credit Description: Debt Issuance – R.S. 47:6017 provides for a credit against Louisiana income tax for the filing fee paid to the Louisiana State Bond Commission, which is incurred by an economic development corporation in the preparation and issuance of bonds. Please contact the Department for information on qualifying for this credit.</p>
<p>110 Credit Description: Family Responsibility – R.S. 47:297(F) provides for a credit against an individual's income tax for the amount contributed in a family responsibility program, under the provisions of R.S. 46:449. The amount of this credit shall not exceed thirty-three-and-one-third percent (.333) of the contribution, or \$200 per year, whichever is less.</p>	<p>200 Credit Description: Atchafalaya Trace – R.S. 25:1226.4 provides for a credit to certain heritage-based cottage industries. You must attach a copy of your contract to the return.</p>
<p>115 Credit Description: Doctor/Dentist – R.S. 47:297(H) provides for a credit to a certified medical doctor possessing an unrestricted license from the State of Louisiana to practice medicine, or to a dentist licensed by the State of Louisiana to practice dentistry, in certain geographic areas of Louisiana. The credit is limited to \$5,000. Please contact the Department for information on qualifying for this credit.</p>	<p>202 Credit Description: Organ Donation – Acts 277 of the 2005 Regular Legislative Session provides for a credit to offset certain expenses incurred by an individual and/or spouse for a living organ donation. Please contact the Department for information about this credit.</p>
<p>120 Credit Description: Bone Marrow – R.S. 47:297(I) provides for a credit for any individual taxpayer required to file a Louisiana tax return, acting as a business entity authorized to do business in the state, operating as either a sole proprietorship, a partner in a partnership, or as a Subchapter S Corporation, for bone marrow donor expenses. Please contact the Department for information on qualifying for this credit.</p>	<p>204 Credit Description: Household Expense – R.S. 47:297.2 provides for a credit against the individual income tax for a person who maintains a household, which includes one or more dependents who are physically or mentally incapable of caring for themselves. The credit is equal to the applicable percentage of employment-related expenses allowable pursuant to Section 21 of the Internal Revenue Code. Please contact the Department for information on qualifying for this credit.</p>
<p>125 Credit Description: Law Enforcement Education – R.S. 47:297(J) provides for a credit to certain law enforcement officers and specified employees of the Department of Public Safety and Corrections, for specific post-secondary educational expenses incurred in the pursuit of an undergraduate degree, related to law enforcement. Please contact the Department for information on qualifying for this credit.</p>	<p>206 Credit Description: Vehicle Alternative Fuel – R.S. 47:38 provides for a credit for the conversion of a vehicle to an alternative fuel source. You must attach documentation verifying the conversion.</p>
<p>130 Credit Description: First Time Drug Offenders – R.S. 47:297(K) provides for a credit to a taxpayer who provides full-time employment to an individual who has been convicted of a first time drug offense, and who is less than twenty-five (25) years of age at the time of initial employment. Please contact the Department for information on qualifying for this credit.</p>	<p>208 Credit Description: Previously Unemployed – R.S. 47:6004 provides for a credit that business proprietors may be eligible for a credit for hiring the previously unemployed. Please contact the Department for information on qualifying for this credit.</p>
<p>135 Credit Description: Bulletproof Vest – R.S. 47:297(L) provides for a credit for the purchase of a bulletproof vest for certain law enforcement personnel, as designated in the statute. The credit is limited to \$100. Please contact the Department for information on qualifying for this credit.</p>	<p>210 Credit Description: Recycling Credit – R.S. 47:6005 provides for a credit for the purchase of certain equipment and/or service contracts related to recycling. The credit must be certified by the Louisiana Department of Environmental Quality and a copy of the certification must be attached to the return.</p>
<p>140 Credit Description: Nonviolent Offenders – Acts 285 of the 2005 Regular Legislative Session provides for a credit for a taxpayer who provides full-time employment to an individual who has been convicted of a first-time nonviolent offense. Please contact the Department for information on qualifying for this credit.</p>	<p>212 Credit Description: Basic Skills Training – R.S. 47:6009 provides for a credit against Louisiana income tax for employers who pay for training to bring employees' reading, writing, or mathematical skills to at least the 12th grade level. The credit is limited to \$250 per participating employee. Please contact the Department for information on qualifying for this credit.</p>
<p>150 Credit Description: Qualified Playgrounds – R.S. 47:6008 provides for a credit against Louisiana income tax for donations to assist qualified playgrounds. The credit shall be an amount equal to the lesser of \$1,000 or one-half of the value of the cash, equipment, goods, or services donated. Please contact the Department for information on qualifying for this credit. For taxable years 1993 through 2000, Acts 405 of the 2005 Regular</p>	<p>214 Credit Description: New Markets – R.S. 47:6016 provides for a credit to the taxpayer who makes certain qualified low-income community investments. Please contact the Department for information on qualifying for this credit.</p>
	<p>216 Credit Description: Brownfields Investor Credit – Acts 156 of the 2005 Regular Legislative Session provides for a credit to individuals to encourage the cleanup, redevelopment, and productive reuse of brownfields in the state. The credit is obtained through the Department of Economic Development and The Department of Environmental Quality. Please contact the Department for information on qualifying for this credit.</p>
	<p>220 Credit Description: Dedicated Research – R.S. 51:2203 provides for a credit of thirty-five percent (.35) of a cash donation of \$200,000 or more to the Dedicated Research Investment Fund, which is administered by the Louisiana Board of Regents. The Board of Regents must certify that the person is qualified for the credit. You must attach a copy of your certification to the return.</p>

Code

- 222** Credit Description: **LCDFI Credit** – R.S. 51:3075, provides for a credit to encourage the expansion of businesses in economically distressed areas. The Louisiana Office of Financial Institutions administers this program. Please contact that office for further information.
- 251** Credit Description: **Motion Picture Investment** – R.S. 47:6007 provides for a credit for an individual taxpayer residing in Louisiana, who invests in a state-certified, motion picture production. For information on qualifying for this credit, please refer to Revenue Information Bulletin 06-004 on the Department’s website.
- 252** Credit Description: **Research and Development** – R.S. 47:6015 provides for a credit for any taxpayer who claims a federal income tax credit under 26 U.S.C. §41(a), for increasing research activities. Please contact the Department for information on qualifying for this credit.
- 253** Credit Description: **Historic Structures** – R.S. 47:6019 provides for a credit, if the taxpayer incurs certain expenses for the rehabilitation of an historic structure, which is located in a Downtown Development District. Please refer to Revenue Information Bulletin 06 -002 on the Department’s website.
- 254** Credit Description: **Digital Interactive Media** – Acts 346 of the 2005 Regular Legislative Session provides for a credit to individuals for the investment in businesses specializing in digital interactive media. The credit is obtained through the Department of Economic Development and documentation from the Department of Economic Development must be attached to the return.
- 255** Credit Description: **Technology Commercialization** – R.S. 51:2354 provides for a credit of fifteen percent (.15) of the amount of money invested by the taxpayer in commercialization costs for one business location. The Louisiana Department of Economic Development certifies this credit. You must attach a copy of your certification to the return.
- 256** Credit Description: **Motion Picture Employment of Resident** – R.S. 47:1125.1 provides for a credit against Louisiana income tax for the employment of residents of Louisiana, in connection with the production of a motion picture. The credit may flow to an individual via a partnership, limited liability company, Subchapter S Corporation, or other entity. Please refer to Revenue Information Bulletin 06-004 on the Department’s website for information on qualifying for this credit.

Code

- 257** Credit Description: **Capital Company** – R.S. 51:1924 provides for a credit to any person who invests in a certified Louisiana Capital Company. This credit must be approved by the Commissioner of the Office of Financial Institutions. You must attach a copy of your certification to the return.
- 300** Credit Description: **Biomed/University Research** – R.S. 46:813.1 and R.S. 17:3389 provide for credits against the Louisiana individual income tax to persons who establish research activities, either in a Biomedical or in a University Research and Development Park. You must attach a copy of your contract to the return.
- 305** Credit Description: **Tax Equalization** – R.S. 47:3202 provides for a credit for tax equalization for certain businesses locating in Louisiana. You must attach a copy of your contract to the return.
- 310** Credit Description: **Manufacturing Establishments** – R.S. 47:4305 provides for a credit to certain manufacturing establishments which have entered into a contract with the Department of Economic Development. You must attach a copy of your contract to the return.
- 315** Credit Description: **Enterprise Zone** – R.S. 51:1782 et. seq. provides for a credit against the Louisiana individual income tax for private sector investments in certain areas, which are designated as “Enterprise Zones.” You must attach a copy of your contract to the return.
- 320** Credit Description: **Quality Jobs** – R.S. 51:2452 et. seq. provides for a credit against the Louisiana individual income tax for certain businesses to locate, or to expand existing operations, within Louisiana. You must attach a copy of your contract to the return.
- 500** Other – Reserved for Future Credits

Consumer Use Tax Worksheet

If you purchased goods from out-of-state and were not properly charged Louisiana state sales tax, you are required to file and pay the tax directly to the Louisiana Department of Revenue. This can include purchases from catalogs, television, internet, outside the U.S., or another state (and used in Louisiana).

Under Louisiana Revised Statute 47:302(K), the Department is required to collect a use tax rate of 8 percent on out-of-state use taxable purchases. This 8 percent rate (which includes 4 percent to be distributed by the Department to local governments) is in lieu of the actual rate in effect in your area, and is payable regardless of whether the actual combined state and local rate in your area is equal to, higher than, or lower than 8 percent.

This law ensures that Louisiana businesses are not at a competitive disadvantage with out-of-state companies that are not required to collect sales tax.

1. Taxable purchases	\$.00
Tax rate (8%)			X .08
2. Total Use Tax owed	\$.00

Print here and on Line 14B on the front of the return.

Interest and Penalty Calculation Worksheets

In general, you will be charged interest and penalties if you do not pay all amounts due on or before May 15, 2006. If the return is for a fiscal year, you will be charged interest and penalties if you do not pay on or before the fifteenth (15th) day, of the fifth (5th) month after the close of the taxable year.

Important: The granting of an extension, DOES NOT relieve you of your obligation to pay all tax amounts due by the due date.

Interest – If your 2005 calendar year income tax amount is not paid by May 15, 2006, you will be charged interest at the rate of 14 percent (.14) per annum on tax obligations that have not become final and non-appealable through December 31, 2006. The rate of interest for subsequent years is governed by R.S.47:1601 and is yet to be determined.

Interest Calculation Worksheet	
1. Number of days late from *May 15, 2006 (*or days late from fiscal year due date)	
2. Interest rate per day	.0003835
3. Interest rate (Multiply Line 1 by Line 2.)	
4. Amount you owe (Line 20, of Form IT-540B)	
5. Total interest due (Multiply Line 4 by Line 3, and enter the result on Line 22, of Form IT-540B.)	.00

Important Notice: The sum of BOTH the delinquent filing and delinquent payment penalties cannot exceed twenty-five percent (.25) of the tax due. Thirty (30) day increments are used for the calculation of the delinquent filing and delinquent payment penalties. These penalties are based on the date the Department receives the return and/or payment, not the date the envelope is postmarked.

Delinquent Filing Penalty – A Delinquent Filing Penalty will be charged for failure to file a timely return (on or before May 15, 2006). A penalty of five percent (.05) of the tax due accrues if the delay in filing is not more than 30 days. An additional five percent (.05) is assessed **for each additional 30 days, or fraction thereof**, during which the failure to file continues. By law, the maximum Delinquent Filing Penalty that can be imposed is twenty-five percent (.25) of the tax due.

Delinquent Filing Penalty Calculation Worksheet	
1. Number of days late from *May 15, 2006 (*or days late from fiscal year due date)	
2. Divide Line 1 by 30 (days).	÷30
3. Number of 30-day periods (If fraction of days remain, increase to nearest whole number.)	
4. 30-day penalty percentage	.05
5. Total penalty percentage (Multiply Line 3 by Line 4. The result cannot exceed twenty-five percent [.25].)	.00
6. Amount you owe (Line 20, of Form IT-540B)	
7. Total amount of Delinquent Filing Penalty due (Multiply Line 6 by Line 5 and enter the result on Line 23, of Form IT-540B.)	.00

Delinquent Payment Penalty – If you fail to pay 90 percent (.90) of the tax due by the due date (May 15, 2006), a Delinquent Payment Penalty will be assessed. A penalty of 0.5 percent (.005) of the tax not paid by the due date will accrue **for each 30 days, or fraction thereof**, during which the failure to pay continues. This penalty cannot exceed twenty-five percent (.25) of the tax due.

To determine if you owe a Delinquent Payment Penalty, answer the following questions:

1. Are you paying a 2005 **tax liability** after May 15, 2006?
2. Have you paid at least ninety percent (.90) of total tax due?
 - a. Enter amount from Line 14C, Form IT-540B. .00
 - b. Enter amount from Line 15A, Form IT-540B. .00
 - c. Enter the amount from Line 15B, Form IT-540B. .00
 - d. Subtract Lines “b” and “c” from Line “a” above. .00
 - e. Multiply Line “c” by ten percent (.10). .00
 - f. Enter the amount from Line 20, Form IT-540B. .00

If the amount on Line “f” is **less** than or equal to the amount on Line “e,” you **have paid** at least ninety percent (.90) of the total tax due. If the amount on Line “f” is **greater** than the amount on Line “e,” you **have not** paid at least ninety percent (.90) of the total tax due.

If you are paying a 2005 tax liability after May 15, 2006, **AND have not** paid at least ninety percent (.90) of the total tax due, then you owe the Delinquent Payment Penalty. Use the worksheet below to calculate that penalty.

Delinquent Payment Penalty Calculation Worksheet	
1. Number of days late from *May 15, 2006 (*or days late from fiscal year due date)	
2. Divide Line 1 by 30 days.	÷30
3. Number of 30-day periods (If fraction of days remain, increase the amount to the nearest whole number.)	
4. 30-day penalty percentage	.005
5. Total penalty percentage (Multiply Line 3 by Line 4. The result cannot exceed twenty-five percent [.25].)	
6. Amount you owe (Line 20, of Form IT-540B)	
7. Total amount of Delinquent Payment Penalty (Multiply Line 6 by Line 5 and enter the result on Line 24, of Form IT-540B.)	.00

Underpayment Penalty – You may be charged an Underpayment Penalty if: (A) Your tax deficiency is greater than \$1,000; and (B) your filing status is either single, married filing separately, head of household, or qualifying widow(er). If your filing status is married filing jointly, you may be charged an Underpayment Penalty if your tax deficiency is greater than \$2,000. In order to determine if an underpayment penalty is due and to compute the amount of the underpayment penalty, you must obtain Form R-210NR.

CHILD CARE CREDIT WORKSHEET

R.S. 47:297.4 allows for a certain percentage of your Federal Child Care Credit to be claimed as a credit against your Louisiana individual income tax. In order to take this credit, you must have claimed the federal credit either on Federal Form 1040 or on Federal Form 1040A. The provisions that govern the child care credit allow for the credit to be either refundable or nonrefundable. In order for the credit to be refundable, your Federal AGI must be \$25,000 or less. Use Lines 1 through 4 to compute your refundable credit for 2005. If your Federal AGI is greater than \$25,000, you may be entitled to a nonrefundable credit for 2005, which can be carried forward for five (5) years if you are unable to claim the nonrefundable credit in the year in which it was earned. Use Lines 6 through 23 to compute your 2005 nonrefundable credit, and to appropriately claim any carry forward you may have from previous years. The child care credit may only be taken for child care expenses incurred in Louisiana during the time a person was a Louisiana resident.

- 1 Enter the amount of your Adjusted Gross Income (AGI) from Line 7 of Form IT-540B. .00
- 2 From Federal Form 1040, Line 48, or from Federal Form 1040A, Line 29, enter the amount of the Child Care Credit claimed. Enter this amount on Line 13, of Form IT-540B. .00
- Caution!!** If the amount on Line 1 above is less than or equal to \$25,000, proceed to the next line. If Line 1 above is greater than \$25,000, proceed to Line 6.
- 3 Multiply Line 2 above by .50
- 4 Enter this amount on Line 15A, of Form IT-540B. .00
- (This is the amount of your REFUNDABLE Child Care Credit)**

- 5 If you have a refundable Child Care Credit for 2005 and have a nonrefundable Child Care Credit Carryforward from previous years, you may be able to utilize some or all of your nonrefundable carryforward amount for 2005. **Use Lines 5a through 5f to determine this amount.**
- 5a Enter the amount from Line 12 of Form IT-540B. .00
- 5b Enter the amount from Line 13A of Form IT-540B. .00
- 5c Enter the amount from Line 15A of Form IT-540B. .00
- 5d Enter the amount from Line 15B of Form IT-540B. .00
- 5e Subtract Lines 5b, 5c and 5d from Line 5a above. .00
- 5f Enter the amount of any Child Care Credit Carryforward from previous years. .00

If Line 5f is less than or equal to line 5e, your entire Child Care Credit Carryforward from previous years is utilized for 2005. Enter that amount (Line 5f) on line 13B of Form IT-540B. If Line 5f is greater than line 5e, enter the amount of Line 5e on Line 13B of Form IT-540B. **Do not proceed further if the conditions of this line apply to you.**

STOP! Your Federal Adjusted Gross Income (AGI) must be greater than \$25,000 to proceed to Line 6 of this worksheet.

Use Lines 6 and 7 to determine the amount of your 2005 Nonrefundable Child Care Credit.

- 6 Using AGI from Line 1 on this worksheet, determine applicable percentage from the chart below:
- | AGI | Percentage |
|---------------------|------------|
| \$25,001 – \$35,000 | 30% (.30) |
| \$35,001 – \$60,000 | 10% (.10) |
| over \$60,000 | 10% (.10) |
- Applicable percentage: _____
- 7 Multiply amount on Line 2 (AGI) by the percentage on Line 6 .00

Important!! If AGI (Adjusted Gross Income) is greater than \$60,000, then the credit is limited to the LESSER of twenty-five dollars (\$25.00), or ten percent (.10) of the federal credit. You may be required to carry forward some, or all, of your Nonrefundable Louisiana Child Care Credit. You must use the remaining worksheet to determine your applicable nonrefundable credit for 2005, or to determine any amount you can carry forward to 2006.

- Use Lines 8 through 12 to determine if you can use any amount of your Nonrefundable Child Care Credit Carryforward from previous years and/or your 2005 Nonrefundable Child Care Credit.**
- 8 Enter the amount from Line 12 of Form IT-540B. .00
- 9 Enter the amount from Line 13A of Form IT-540B. .00
- 10 Enter the amount from Line 15B of Form IT-540B. .00
- 11 Subtract Lines 9 and 10 above from Line 8 above. .00
- 12 If Line 11 is less than or equal to zero, then your entire child care credit for 2005 (Line 7 of the Child Care Credit Worksheet) will be carried forward to 2006. Also, any available carryforward from previous years will be carried forward to 2006. If Line 11 above is less than or equal to zero, enter zero, (0) on Lines 13B and 13C of Form IT-540B. **Do not proceed further if the conditions of this line apply to you.**

Use Lines 13 through 16 to determine the AMOUNT of Nonrefundable Child Care Credit Carryforward from previous years utilized for 2005.

- 13 If Line 11 above is greater than zero, enter the amount on Line 11 here. .00
- 14 Enter the amount of any Child Care Credit Carryforward from previous years. .00
- 15 Subtract Line 14 from Line 13. .00
- 16 If Line 15 is less than or equal to zero "0", then the amount of carryforward used for 2005 is equal to Line 13 above. Print that amount on Line 13B of Form IT540B and record the remaining carryforward for possible use next year. Also, your entire Child Care Credit for 2005 (Line 7 of the Child Care Credit Worksheet) will be carried forward to 2006. **Do not proceed further if the conditions of this line apply to you.**

Use Lines 17 through 21 to determine the amount of Child Care Credit Carryforward utilized from previous years PLUS all of your 2005 Child Care Credit.

- 17 If Line 15 above is greater than zero "0", enter the amount of carryforward shown on Line 14 above on Line 13B of Form IT-540B. .00
- 18 If line 15 above is greater than zero "0", enter the amount on Line 15 here. .00
- 19 Enter the amount of your 2005 Child Care Credit (Line 7 of the Child Care Credit Worksheet above). .00
- 20 Subtract Line 19 from Line 18 and print the result here. .00
- 21 If Line 20 above is greater than zero "0", then your entire Child Care Credit for 2005 (Line 7 of the Child Care Credit Worksheet) has been utilized for 2005. Enter the amount from Line 19 above on Line 13C of Form IT-540B. **Do not proceed further if the conditions of this line apply to you.**

Use Line 22 to determine what amount of your 2005 Child Care Credit you can claim.

- 22 If Line 20 above is less than zero "0", then the amount of your 2005 child care credit used for 2005 is the amount shown on Line 18. Enter the amount on Line 18 on Line 13C of Form IT-540B. .00

Use Line 23 to determine the amount of your 2005 Child Care Credit to be carried forward to 2006

- 23 If Line 20 above is less than zero "0", then subtract Line 18 from 19 to compute your Child Care Carryforward to 2006. Keep this amount for your records. .00